



The President's Daily Brief

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15 July 1972

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exemption category 5B(1),(2),(3)
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FOR THE PRESIDENT ONLY

THE PRESIDENT'S DAILY BRIEF

15 July 1972

PRINCIPAL DEVELOPMENTS

South Vietnamese forces still are meeting strong enemy resistance near Quang Tri City. President Thieu is urging his commanders in the area to launch new attacks before the Communists gain enough strength to turn back the government offensive.
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	China		25X1

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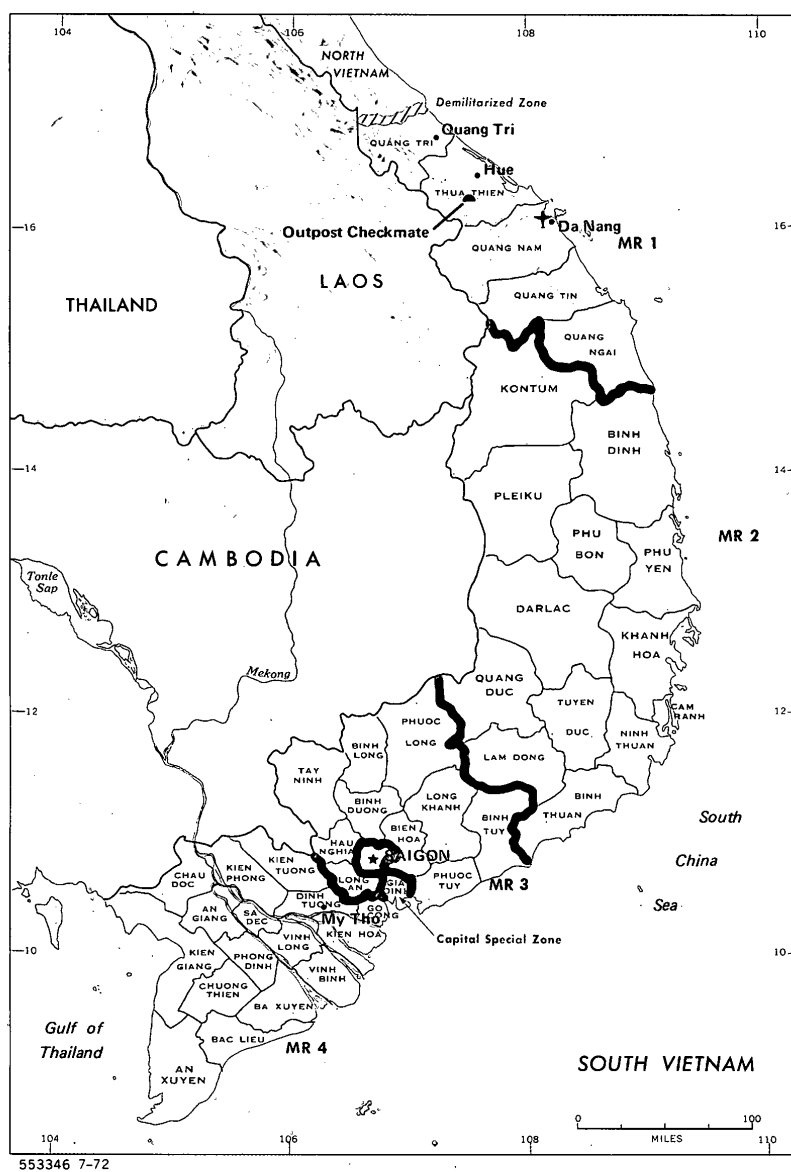
On Page 3 we assess a shift in the North Vietnamese line at the Paris peace talks and Hanoi's intensified propaganda on alleged US bombing of dikes in North Vietnam.

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At Annex, we discuss Philippine President Marcos' attempts to retain power beyond 1973 and Philippine attitudes on US interests in the islands.



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VIETNAM

Strong enemy resistance to the South Vietnamese push toward Quang Tri City continues. Airborne units have been engaged in street fighting on the southern edge of town.

[REDACTED]

Thieu believes there are signs that the enemy in Quang Tri may soon be strongly reinforced from North Vietnam, and he hopes to strike before the Communists can muster enough military strength to turn back the government offensive. Thieu stressed that his troops should not give too much attention to the reoccupation of Quang Tri City, apparently in the belief that the losses in an all-out assault on the city would be prohibitive.

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Farther south in MR 1, heavy attacks against allied positions near Hue continue, and government forces have abandoned outpost Checkmate for the third time in two weeks. Armed clashes have increased in Quang Nam Province. In addition to the rocket attack of 13 July on Da Nang, a nearby refugee camp and government positions in five of Quang Nam's districts were shelled.

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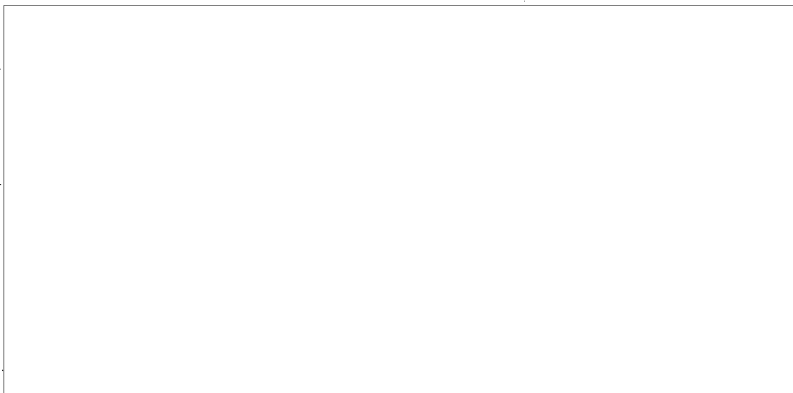
[REDACTED] the enemy plans widespread attacks in the province to relieve pressure on Communist forces in Quang Tri and Thua Thien provinces.

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In the Mekong Delta, enemy forces continue harassing actions in Dinh Tuong Province. My Tho was shelled early yesterday, and an ammunition depot less than a mile south of town was blown up. Several sharp engagements were initiated by government forces elsewhere in the delta.

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CHINA-VIETNAM

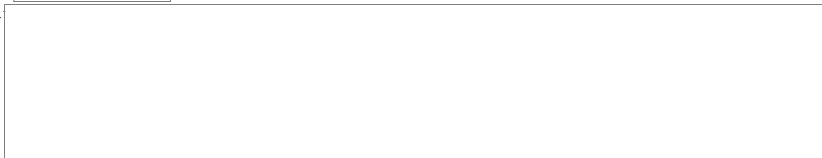


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NORTH VIETNAM

There was a definite shift in emphasis in the Communists' line at the Paris peace talks on 13 July and at their post-meeting press conferences. The Communists attempted to create the impression that they do not demand that the US become involved in settling the political future of South Vietnam, and that they will discuss this issue directly with the South Vietnamese following the withdrawal of US forces and the termination of US "political and military" support for the Saigon government.

The shift does not constitute a real concession on the Communists' part but seems designed essentially to outflank the US insistence that it cannot negotiate the political future in South Vietnam because this would infringe on the rights of the South Vietnamese people.

The Communists have generally maintained that the US must formally agree--at least in principle--to the imposition of a coalition government, and in fact talked at the session of 13 July about the need for a "parallel settlement" of political and military questions before a cease-fire could take place. Nevertheless, it has long been evident that the Communists would undertake to establish such a coalition themselves--with or without US agreement--if the nature of the US military withdrawal and termination of support to President Thieu allowed it. In Hanoi's view, the Saigon government would not last long without US arms and political backing.

* * *

Hanoi is intensifying its propaganda allegations that the US bombing is causing serious damage to the dikes in North Vietnam, which may lead to a catastrophic loss of life later this summer. A Foreign Ministry statement of 11 July, for example, asserted that the US had deliberately struck the dikes in order to weaken these systems so as to cause floods in North Vietnam with incalculable consequences. Other articles claim that dikes in at least five provinces have been damaged.

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Hanoi has had the support of some friendly foreign newsmen. A Frenchman stationed in Hanoi has visited dikes that have been damaged and claims in his reporting that the damage was deliberate because there were no military targets nearby.

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The North Vietnamese dike system is very elaborate; in some places the dikes tower as much as 50 feet above the surrounding land in order to protect the relatively flat terrain from the runoff of the heavy rains that amount to upwards of 11 inches per month in July and August. Water in the artificially constricted rivers in the Hanoi area has at times reached levels nearly 40 feet higher than the surrounding land. The depth and speed of the water creates tremendous pressure on the dike walls. A weakened dike can easily break and quickly lead to a major flood, causing serious damage to crops and loss of life, as happened last year when there was no bombing.

Hanoi is undoubtedly genuinely concerned about the effects US bombing could have on the country's dike system. North Vietnam's rainy season will reach its peak next month, and weaknesses in the dikes caused by last year's flooding have not been fully repaired. The fervor of Hanoi's propaganda concerning the dike damage, however, is certainly also designed to engender world sympathy for the North Vietnamese and to provoke an outcry against the US both at home and abroad. Hanoi seems to be trying to make the US responsible in advance for any breaks that might occur in the dike system as a result of its failure to shore up the walls.

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INDIA

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NOTE

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PHILIPPINE POLITICS AND US INTERESTS

President Ferdinand Marcos has initiated a series of moves to try to retain political power after December 1973 when his second--and constitutionally his last--term expires. He is exploring three options: changing the constitution, ruling through a proxy, or declaring martial law. At the same time, he has tried to divert public attention from the palace's intrigues and the administration's shortcomings by making headlines in the area of foreign affairs, particularly by urging basic changes in US-Philippine relations.

Staying in Power

The main arena for Marcos' maneuvering is the Constitutional Convention, elected in 1970 to draft a "Filipino" constitution to replace the "American" document adopted in 1946. In session for a year already, the convention has had difficulty reaching substantive decisions, largely because the delegates would not commit themselves until Marcos made his own desires known. The logjam finally broke on 7 July when the convention accepted a draft resolution calling for adoption of a parliamentary form of government. Such a system would circumvent the two-term limit and enable Marcos to become prime minister without having to risk his fading popularity in a nationwide election, as he would under a presidential system.

Marcos still must hold together his delegate strength in the convention for two more ballots before the draft constitution is finally passed, however, and the final document must then pass a national referendum. If the electorate interprets a "yes" vote as a vote for continued rule by Marcos, the referendum could easily fail. Thus, if Marcos is too heavy-handed in getting the convention to pass a constitution to his taste, he increases the chances that the voters will reject it.

If his efforts to change the constitution fail, Marcos has indicated he will try to rule through a proxy--such as his wife Imelda, an ambitious woman who enjoys a small independent political base of her own. Marcos has some doubts about how much influence he could wield over his wife, but the two usually act alike politically, and they normally work effectively as a team. Another possible proxy is Vice-President Ferdinand Lopez

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Marcos has also been trying to mend fences in his own party. In order either to become prime minister or to rule by proxy, he would need strong party support, especially from the powerful political machine of the Lopez family. In May, Marcos sought reconciliation with the Lopez family after 18 months of bitter feuding. The feud had not only estranged Marcos from his vice-president, but also had subjected the President to the wrath of the family's extensive media chain.

If everything else fails, Marcos has a third option: rule by martial law. Although he does not seem to have a detailed plan in mind, Marcos apparently believes he could postpone elections scheduled for November 1973 by suspending the constitution and then continuing to rule through some quasi-legal formula. Marcos appears to be preparing the groundwork should this seem necessary. Over the past months, he has been appointing his own men to top military positions, and he apparently intends to retire the entire present high command by mid-1973, replacing them with generals considered amenable to martial law. He has been publicizing the threat posed by Communist insurgents in the countryside, in part to provide a rationale for martial law.

It seems doubtful, however, that Marcos will go this far. The Filipinos are accustomed to active participation in government and would be vocal in their dissent. And the army is neither large nor efficient enough to govern successfully in the face of a hostile populace. In addition, despite the command changes, the President may not be able to count on the army's support in a crisis.

Whatever Marcos decides to do, he needs more popular support. The setbacks he experienced in elections to the Senate last November clearly reflected widespread public disillusionment with his leadership. In recent months, domestic economic problems have further damaged the government's standing. Like other Philippine politicians before him, Marcos has found that talking tough to the Americans is good politics. Thus last month, with a bribery scandal threatening to destroy his credibility, Marcos grabbed the headlines by calling for a renegotiation of all US-Philippine military and economic agreements.

The US Issue

Marcos can exploit the "US issue" effectively because many political and business leaders believe the Philippines should get a better deal from the US.

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In addition to wanting more money for the use of the bases, Filipino leaders believe that the bases are not contributing significantly to their country's security and that they are not necessarily good evidence of the US commitment to defend the islands. Many Filipinos view recent US contacts with Peking and Moscow as foreshadowing an intention to withdraw from Asia. In these circumstances, some argue that the Philippines must adopt a more independent foreign policy, while others favor a firmer US commitment to the country's defense.

Marcos is also beginning to focus public attention on US-Philippine economic relations. The underpinning for those relations, the Laurel-Langley Agreement of 1956, expires in 1974. Philippine businessmen would like to retain preferential treatment in US markets; the sugar barons in particular are loath to lose their guaranteed quota of the US market.

On the other side, an article in the Philippine constitution providing for special rights for US investors also expires in 1974. This, together with Laurel-Langley, allows US interests to invest, exploit natural resources, and operate public utilities in the Philippines. Some delegates to the constitutional convention have proposed a clause limiting foreign ownership of Philippine firms to 40 percent. Many Filipino investors believe that such a provision would enable them to buy into profitable US-owned business at cut-rate prices. A more immediate problem for US businessmen, however, is the question whether American vested rights already acquired expire in 1974, or whether the lapse of the article merely precludes future acquisitions.

The economic issues provide fewer political opportunities for Marcos because they arouse the populace less than the US military presence. At the same time, however, because they impinge on the vital interests of the Filipino elite, Marcos has somewhat less latitude than he enjoys in negotiating

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the military matters. Marcos apparently still believes that he can manipulate popular sentiment against the US bases, while in fact leaving the relationship with the US virtually unchanged. He took this line recently when he assured Ambassador Byroade that, public statements notwithstanding, he had no present intention of pressing for fundamental changes in US base and security agreements with the Philippines.

With his time running out, however, Marcos is going to find himself under increasing pressure to deliver on his public promises. He must improve his popular standing or he will find it difficult to extend his rule under any device.

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